



STATE OF CONNECTICUT



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## **AG Jepsen, Consumer Counsel Katz Applaud PURA Action Ordering Electric Supplier Palmco to Advise Customers on Potentially High Rates and Switching to Standard Service Rate**

*For immediate release*

WEDNESDAY, MARCH 9, 2016

HARTFORD – Attorney General George Jepsen and Consumer Counsel Elin Swanson Katz today welcomed an interim decision from the state Public Utilities Regulatory Authority (PURA) ordering electric supplier Palmco Power CT, LLC (Palmco), to issue notices to all of its existing customers advising them how to immediately switch to the standard offer provided by either Eversource Energy (Eversource) or The United Illuminating Company.

PURA opened an investigation into consumer complaints about the company's practices in February 2015. In today's interim decision, PURA noted that many Palmco customers may not be aware that they have been enrolled with the company or of the high rates they are currently being charged. In January 2016, Palmco served approximately 2,550 customers, the majority of which paid more than twice the standard service rate offered by their utility company.

Today's order directs the company to send either first-class mail or email correspondence, in a form dictated by PURA, to each of its customers advising them of how to switch to the standard offer. The notice must be issued no later than March 25, 2016.

"I commend PURA for granting my office's motion and ordering these consumer notices," said Attorney General Jepsen. "The conduct detailed in this proceeding is deeply troubling. The evidence in the record shows systemic and pervasive misconduct in Palmco's marketing its product and enrolling its customers. It has also led to substantial overpayments for thousands of Connecticut consumers. My office will continue to actively participate in PURA's docket and seek to hold this company accountable for its apparent deceptive and unfair practices."

Consumer Counsel Elin Swanson Katz said, "The evidence shows Palmco has been taking money out of their customers' pockets for years, so I fully support PURA's interim decision requiring the company to inform their customers that they have better options. We've also seen that, in many cases, consumers were subjected to a high-pressure sales pitch and given false information to entice them to enroll with Palmco. My office has been actively engaged in this proceeding, which has revealed abusive sales practices affecting potentially vulnerable populations. Such underhanded sales practices have no place in the Connecticut retail electric marketplace, and we will continue to pursue retail electric suppliers that mislead customers into overpaying for electricity."



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PURA said that the record in the investigative proceeding showed evidence that consumers:

- May not have been informed of Palmco's rates at the time of enrollment;
- May have been provided inaccurate information during door-to-door and telemarketing sales;
- May have been led to believe that enrolling with Palmco would guarantee savings;
- May have been led to believe they were dealing with Eversource or United Illuminating personnel; and
- May have been enrolled due to forgery.

PURA said, given the record in the investigative proceedings, it was in the public interest to require Palmco to notify its customers. The docket remains open, with additional hearings scheduled for March 15 and 16 and with a final decision expected in June 2016.

Attorney General Jepsen and Consumer Counsel Katz strongly urge all Connecticut residents to examine their electric bills carefully to determine if the standard offer is more appropriate for them.

"It is important that all electric customers in Connecticut check their bills and make sure they know the generation rate that they're being charged, whether that rate is fixed or variable and whether there is a termination fee associated with switching from that rate," Attorney General Jepsen said. "A large number of Connecticut consumers are paying more than they have to for electricity. While it's possible to save money on electric costs by shopping in the electric market, standard service is the easiest – and often the most affordable – option for the vast majority of electric customers. The good news is that switching to standard service is easy, and consumers who find that they are paying a high generation rate can take steps immediately to lower their electric bills."

"You never have to switch from the standard service option, no matter what a sales person tells you," Consumer Counsel Katz said. "Despite the implementation of massive reforms in this market, this investigation shows that there are still unscrupulous marketers out there willing to say just about anything to get your business. Don't make a snap decision to switch because of a phone call or someone knocking on your door with a 'too-good-to-be-true' offer." She urged consumers to check available offers through the Connecticut Rate Board at [EnergizeCT.com](http://EnergizeCT.com) or by calling 1-877-WISE USE (877-947-3873) before making a switch with respect to their electric bill.

Consumers may contact their utility company to switch to the standard offer within 72 hours of their request. Eversource's standard service rate is currently 9.55 cents per kWh; United Illuminating's standard service rate is currently 10.73 cents per kWh. If you are an Eversource customer, call 800-286-2000 to immediately switch from your electric supplier to the standard offer. If you are a United Illuminating customer, call 800-722-5584 to immediately switch to the standard offer.



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Assistant Attorneys General John Wright and Michael Wertheimer are assisting the Attorney General with this matter. Attorneys Victoria Hackett and Lauren Henault Bidra and technical staff Dave Thompson and John Viglione are assisting the Consumer Counsel with this matter.

[Click here to read PURA's Interim Decision in this docket.](#)

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